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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
WILLIAM A. MUNDELL
Commissioner
MARC SPITZER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

In the matter of:)
)
TIERRA GROUP, a/k/a TIERRA GROUP)
PROPERTIES, a/k/a TIERRA GROUP)
COMPANIES, a/k/a TIERRA GROUP, INC.,)
10105 East Via Linda Drive, Suite 103-330)
Scottsdale, Arizona 85258)
)
PRESERVATION TRUST CORPORATION,)
a/k/a **PRESERVATION CORPORATION,**)
a/k/a **PRESERVATION TRUST COMPANY,**)
10105 East Via Linda Drive, Suite 103-330)
Scottsdale, Arizona 85258)
)
PARTNERSHIP PRESERVATION TRUST,)
a/k/a **PARTNERSHIP PRESERVATION**)
CORPORATION LIMITED PARTNERSHIP,)
10105 East Via Linda Drive, Suite 103-330)
Scottsdale, Arizona 85258)
)
CATERPILLAR FOUNDATION)
PROPERTIES, a/k/a CATERPILLAR)
FOUNDATION PROPERTIES LIMITED)
PARTNERSHIP,)
10105 East Via Linda Drive, Suite 103-330)
Scottsdale, Arizona 85258)
)
RENE L. COUCH, a married man)
10727 East Palm Ridge Drive)
Scottsdale, Arizona 85259)
)
TERRY COUCH, a married woman)
10727 East Palm Ridge Drive)
Scottsdale, Arizona 85259,)
)
Respondents.)

DOCKET NO. S-03437A-03-0000

DECISION NO. 68096

**ORDER OF DISGORGEMENT AND
ORDER FOR ADMINISTRATIVE
PENALTIES AGAINST RESPONDENT
TERRY COUCH**

1 On January 23, 2003, the Securities Division ("Division") of the Arizona Corporation
2 Commission ("Commission") filed a Notice of Opportunity For Hearing Regarding Proposed Order to
3 Cease and Desist, Order for Restitution, Order for Administrative Penalties and Other Affirmative
4 Action ("Notice") against, *inter alia*, Respondent TERRY COUCH ("MS. COUCH"). The Division
5 made proper service of this Notice on MS. COUCH on January 24, 2003. The Notice specified that
6 MS. COUCH would be afforded an opportunity for an administrative hearing to contest the allegations
7 levied in this matter upon filing a written request for hearing with Docket Control of the Commission
8 within ten days of service of the Notice. MS. COUCH failed to request such a hearing within the
9 required time.

10 **I.**

11 **FINDINGS OF FACTS**

12 1. At all relevant times, MS. COUCH was the spouse of Respondent RENE L. COUCH
13 ("R.L. COUCH"). MS. COUCH is joined in this action under A.R.S. § 44-2031(C) for the purpose of
14 determining the liability of the marital community.

15 2. MS. COUCH was served on January 24, 2003 at the place of her residence at the time,
16 3850 East Thunderhill Place, Phoenix, Arizona, 85044. Service of this Notice was made by hand-
17 delivery to Reg Couch, father-in-law to MS. COUCH and an individual duly authorized to accept
18 service on her behalf.

19 3. MS. COUCH did not request a hearing in this matter.

20 4. On July 11, 2005, the Commission entered an Order against MS. COUCH's spouse,
21 R.L. COUCH, finding that R.L. COUCH offered or sold securities within or from Arizona within
22 the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26), violated A.R.S. § 44-1841
23 by offering or selling securities that were neither registered nor exempt from registration, violated
24 A.R.S. § 44-1842 by offering or selling securities while neither registered as dealers or salesmen
25 nor exempt from registration, and violated A.R.S. § 44-1991 by (a) employing a device, scheme or
26 artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and/or

1 (c) engaging in transactions, practices or courses of business which operate or would operate as a
2 fraud or deceit upon investors.

3 5. Based on this conduct, the Commission ordered that R.L. COUCH pay restitution in
4 the amount of \$549,085, and ordered that R.L. COUCH pay an administrative penalty in the amount
5 of \$25,000.

6 6. This Order was recorded by the Commission under Decision No. 67961.

7 **II.**

8 **CONCLUSIONS OF LAW**

9 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
10 Arizona Constitution and the Securities Act.

11 2. R.L. COUCH's conduct in this matter binds the marital community of R.L.
12 COUCH and MS. COUCH to any resulting financial liabilities pursuant to A.R.S. § 25-214.

13 **III.**

14 **ORDER**

15 THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the Commission
16 finds that the following relief is appropriate, in the public interest, and necessary for the protection of
17 investors:

18 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that MS. COUCH shall, jointly and
19 severally with all respondents identified under Commission Decision No. 67961, and for the
20 purpose of her marital community only, make a disgorgement payment to investors as reflected in
21 the records of the Commission in the amount of **\$549,085** plus interest at the rate of 10% per
22 annum from the entry date of this Order. The full disgorgement amount is due and payable on the
23 entry date of this Order; payment shall be made by cashier's check or money order payable to the
24 "State of Arizona" to be placed in an interest-bearing account maintained and controlled by the
25 Arizona Attorney General. The Arizona Attorney General shall disburse disgorgement funds to
26 both partnership investors and promissory note investors as reflected in the

1 records of the Commission; disbursements to eligible investors shall be made via a *pro rata*
2 distribution based on the *original* amount(s) of funds invested into one or more of the various
3 investment programs referenced above.

4 IT IS FURTHER ORDERED, pursuant to A.R.S. §§ 44-2036, that MS. COUCH shall,
5 jointly and severally with all respondents identified under Commission Decision No. 67961, and
6 for the purpose of her marital community only, pay - by cashier's check or money order - an
7 administrative penalty in the amount of **\$25,000**. This payment obligation, payable to the "State of
8 Arizona," shall be subordinated to any disgorgement obligations ordered herein, and shall become
9 immediately due and payable only after all disgorgement payments have been paid in full or,
10 alternatively, if MS. COUCH has defaulted prior to fulfilling his disgorgement obligations. Any
11 outstanding administrative penalties shall accrue interest at the rate of 10% per annum until paid in
12 full. This administrative penalty shall be reduced in half to **\$12,500** if and only if the
13 disgorgement balance as outlined above has been satisfied in full.

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26 IT IS FURTHER ORDERED that if MS. COUCH does not comply with the required

1 disgorgement and administrative penalty payments as set forth herein, any and all outstanding
2 balances may be deemed in default and shall be immediately due and payable without notice or
3 demand.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5
6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

7 /s/ Jeffrey M. Hatch-Miller

8 CHAIRMAN

/s/ William A. Mundell

COMMISSIONER

9
10 /s/ Marc Spitzer

11 COMMISSIONER

/s/ Lowell S. Gleason

COMMISSIONER

/s/ Kristin Mayes

COMMISSIONER

12
13 IN WITNESS WHEREOF, I, BRIAN C.
14 McNEIL, Executive Director of the Arizona
15 Corporation Commission, have hereunto set my
16 hand and caused the official seal of the
Commission to be affixed at the Capitol, in the
City of Phoenix, this 25th day of
August, 2005.

17 /s/ Brian C. McNeil

18 BRIAN C. McNEIL

19 Executive Director

20
21 DISSENT

22 DISSENT

23
24 This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@cc.state.az.us.

25 (JP)